

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

December 4, 1956
10:00 A.M.

Council Chamber, City Hall

The meeting was called to order with Mayor Miller presiding.

Roll call:

Present: Councilmen Long, Palmer, Pearson, White, Mayor Miller
Absent: None

The Council met with the Director of Public Properties, of Houston, MR. FRANCIS R. DEERING. Mr. Deering is the Manager of the three Auditoriums, (the Music Hall, the Coliseum, and the old City Auditorium). Mr. Deering reports directly to the Mayor, as Houston does not have the City Manager form of government.

MR. DEERING outlined several points in the Management of the Buildings. Over \$2,000,000 had been spent in 1954 rebuilding the Music Hall increasing the seating capacity from 2200 to 3044; airconditioning the Coliseum and making other improvements--new seating and lighting, building an escalator to the balcony, constructing moving sidewalks; and airconditioning the Exposition Building.

As to Parking, the facilities take care of 2,000 cars at \$.50 a car, and the area is paved. The Parking revenues are not allotted to the Auditorium nor included in the profit of the Auditorium, as it is a separate fund, and includes Airport parking. The total revenue runs \$160,000 a year. Around the Auditorium, two attendants are employed--one directs the cars to the parking area, and the other collects. He believed the people in Houston were accustomed to paying for parking everywhere they went; but he did not believe this was the case in Austin, and he thought 50¢ would be too high. He suggested a 25¢ charge which would be applied to maintaining the parking lot.

As to rates, he set out the rates for the different buildings as follows:

MUSIC HALL (3,044 people) Used in excess of 220 days

Class I Rate (Attractions on which a charge is made)

\$350.00 - Entire day

\$300.00 - Night

\$225.00 - Matinee or morning

Class II - Religious Organizations, Churches, Schools.
 (Dividing line is whether or not an admission
 or charge is made)

\$225.00 - Entire day
 \$175.00 - One evening service
 \$125.00 - One morning or one afternoon session

COLISEUM (13,000 seating capacity) Used 185 days

\$650.00 - Entire day
 \$500.00 - One night
 \$350.00 - Matinee (Never used)

EXPOSITION HALL - 83,000 square feet. \$400.00 per day.

OLD CITY AUDITORIUM - 3,000 seating capacity. Not airconditioned.
 Used about 125 days. Rates are less.

As to the rates, Mr. Deering stated they would have to be increased again; and those already under contract for 1959 would have the advantage of the existing rates, but those not under contract would be notified that the rates quoted might be changed anytime until the contract was signed. No percentage of the gross receipts of a big road show were charged--just the flat rate.

DEPOSITS: For annual shows, \$1,000 deposit is charged, and the balance paid between 60 - 90 days before they move in.

For others, 1/3 of the rent in advance, and the balance 30 days before occupancy.

MOVE-IN and MOVE-OUT FEES - One third of the daily rent, and no air-conditioning or janitor services are provided on those days.

PROVISION FOR DAMAGES - Not too much damage. On some types of shows, the tenant puts up a damage deposit; Stock shows, circuses, etc, put up \$2,000. Some conventions post \$500.00. The deposit makes the occupants a little more cautious.

MR. DEERING listed the personnel which took care of all three buildings; The Manager, Secretary and Booking Manager, and two clerks; the Chief Engineer, two operating engineers and one apprentice engineer. There is a year-round wrecker crew or labor crew, averaging 30-40.

Pertaining to the leasing method, the Four-wall contract is used. The building is either heated or airconditioned, and cleaned. No janitor services are provided for individual booths.

A very important item for the Auditoriums is the Concession. In Houston the same concessioner serves the Music Hall, Coliseum, and Exposition Hall. The bidder completely equipped the Coliseum and Music Hall; (used existing equipment in the old City Auditorium). There was a \$50-\$60,000 investment.

Each bidder guaranteed an annual rent of \$54,000 plus the percentage-of-gross receipts bid, and the successful bidder set out 11.25%. The City averages \$90,000 from the Concession. Gross sales amount to \$300-\$350,000, and the city realizes about 29-30% of the gross sales. The lease is a 5 year lease, and a national firm out of Chicago was the high bidder. The contract includes the privilege of serving all foods in the buildings, and no other caterers come in. Concession rates are established in the lease specifications and the city controls the prices, which are in line with hotels and restaurants. Besides the concessioner providing a permanent stand, he provides portable equipment.

The buildings bring in \$57,000 profit, as the Revenue (including \$90,000 for the concession,) is \$240,000 and the operating costs \$191,600. The complete investment, including the last remodeling job, is about five million dollars.

Mr. Deering passed on some suggestions to the Council. He suggested that no charity rates or special rates be established; and that any group making a charge for admission, pay the commercial rate. Free will offerings were not classed as admission charges. The Symphony is charged the Class I rate, but given free rehearsal time. It also has an office in the building for which they are charged \$250.00 per month, which is a very modest rate. The City sponsors some concerts. No protests have been made on the Council's decision of rates in Houston.

Mr. Deering complimented the Council on providing committee rooms.

He suggested a four-wall contract rather than charging on the square foot basis. He did not believe the charges had much to do with a convention coming in, as the conventions were interested in the services they received.

The earlier a manager were selected the better, not only from the booking standpoint, but if he had a background in this business, he would be very valuable to the architects and contractors in minor details.

Another suggestion was to have the Auditorium set up to pay its own way. In Houston, the buildings are not compelled to show a profit, but it would be well if they always paid their own way. He did not believe they would amortize the investment, but they could pay their way. If the Austin Auditorium were rented 150 days a year for the first two years, it would be doing well. If the operating budget was divided by the number of days of expected occupancy, the results would come pretty close to the reasonable rates. He suggested setting the rates by ordinance, and let the City Manager handle that matter, and not have it ever become a Council matter.

He emphasized the value of the Concessions, as it was a service the people wanted.

To promote the use of the buildings, Mr. Deering made a trip each year to New York to contact the theatre booking agencies, letting them know of available dates and possible local promoters. He acts as a liason agent between booking agents and local people. He also worked with the Chamber of Commerce Convention Committee; sends out literature and information about all the facilities. He believed it was a matter of good housekeeping and good public relations.

Regarding bus service, Mr. Deering stated the hotels were about 5 or 6 blocks away, and the people walked, and they had no problem of transportation. When the conventions headquartered at the Shamrock, five miles away, shuttle bus service was provided through private arrangements.

The serving of liquor was handled through the Cerral Room, which was operated as a private club, with its own charter.

Mr. Deering offered the services of the Auditorium Managers Association to help the City in any way it could.

There being no further business the Council adjourned subject to the call of the Mayor.

APPROVED

Tom Miller
Mayor

ATTEST:

Elin Hooley
City Clerk